



May 31, 2022

Azrieli Group Releases Q1/2022 Results The Company presents strong results in all of the operating parameters

The NOI in the quarter totaled NIS 456 million, up 51% compared with last year, thanks to growth in all operating segments

The FFO in the quarter totaled NIS 337 million, up 48% compared with last year

The net profit attributed to the shareholders totaled NIS 336 million and the comprehensive income totaled NIS 484 million, significant growth compared with last year

The Same Property NOI has grown by some 44% year-over-year

Financial Highlights for Q1/2022

- **NOI this quarter totaled approx. NIS 456 million, up around 51% year-over-year.** The increase mainly derives from relief granted to tenants in the malls in the same quarter following the Covid crisis, the acquisition of the Data Centers company Green Mountain and lease-up of the space formerly occupied by Bezeq in the Triangular Tower in Azrieli Tel Aviv.
- **Same Property NOI** increased by some 44% in the quarter compared with last year.
- **FFO excluding senior housing** totaled approx. NIS 310 million this quarter compared with around NIS 206 million in the same quarter last year, up around 50%. **Total FFO in the quarter totaled approx. NIS 337 million compared with around NIS 228 million in the same quarter last year, up around 48%.**
- **Net profit** attributed to the shareholders totaled approx. NIS 336 million in the quarter compared with profit of around NIS 110 million last year. **Comprehensive income** this quarter totaled approx. NIS 484 million compared with profit of around NIS 289 million last year. During the quarter, appreciation of investment property was recorded in the sum of around NIS 252 million, which mainly derives from the rise in the CPI. The increase in profit was partially offset due to an increase in the interest expenses, also due to the rise in the CPI.
- **During the quarter, the Group invested approx. NIS 320 million in investment property,** in the acquisition, development, construction of new properties and the upgrade and betterment of preexisting properties.

Azrieli Group Ltd.

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Eyal Henkin, CEO of Azrieli Group: "We are concluding another quarter of continued growth in all of the operating parameters. In the offices segment we are witnessing a continued trend of high demand alongside growth in the same property NOI. Construction work on the SolarEdge campus began recently and it will be a significant addition to the property portfolio upon completion of its construction in around 3 years.

In retail we are seeing growth in store revenues and a return to typical Israeli pre-Covid shopping and recreational patterns. In the last two years we have invested tens of millions of shekels in upgrading the existing malls and their surroundings, as well as in diversification and development of the businesses operating in them, and we are certain that this investment will bear fruit in the near future. We further intend to significantly expand the mixed-use concept that characterizes Azrieli Group, which sees real estate complexes as a whole ecosystem and a place for creating community and social life. In this context we recently launched the DNA area on the ground floor of Azrieli Tel Aviv Center, which has undergone a transformation from a parking lot and taxi stand to a unique culinary and leisure attraction for mall visitors, office tenants and the general public.

The Data Centers segment is continuing to experience rapid growth which is expected to increase significantly with completion of the many projects under development. Senior housing is a strong and growing arm of the Group and is expected to expand considerably in the coming years.

In addition to the core operations, the Group continues to promote the new operating segments, hospitality and long-term rental housing, while exploring new opportunities which align with our business strategy for the Group's continued growth".

Occupancy Rates and Store Revenues

- **The average occupancy rate** (excluding properties under lease-up) was 99% in the malls segment, 98% in the office space in Israel segment, and 99% in senior housing.
- **Store revenues** – In March-April 2022, a rise of 0.5% was recorded in store revenues in the malls relative to the same period in 2021. In January-February last year, the malls were closed for the majority of the period.

Balance Sheet as of March 31, 2022

- The Group has **cash, deposits and short-term investments** totaling approx. NIS 3.1 billion and together with Bank Leumi stock, cash and cash equivalents and marketable securities – NIS 4.3 billion.
- **Net debt** totaled approx. NIS 12.4 billion.
- **The value of investment property and investment property under construction** totaled approx. NIS 35 billion.
- **The equity to assets ratio** is approx. 47% and the **net debt to assets ratio** is approx. 29%.
- **Unencumbered assets** total approx. NIS 30 billion.

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Conference call

The Company will hold its quarterly conference call, hosted by the Group's senior management,
Today (Tuesday, May 31st, 2022) at 17:00 pm Israel local time (4:00 pm CET; 3:00 pm United Kingdom time, and 10:00 am Eastern Time).

The call will include a review of the Company's Q1/2022 performance, as well as a discussion of the Company's strategy and expectations for the future. A question & answer session will follow the discussion.

To participate, please dial:

03-9180664 from Israel
1-888-407-2553 from the U.S.
0-800-917-9141 from the U.K.
0-800-024-9936 from the Netherlands
1-888-604-5839 from Canada
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